

MARKET ANALYSIS - October 17, 2002

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Corn trade started this holiday week fairly mixed after an ugly previous week. The negative USDA report sent things south after the production estimate came out above all trader expectations at 8.97 million bushels. Technical traders jumped on this negativity and worsened the picture. However with non-bearish carryover numbers being released it is hard to imagine that these technicians will dominate the trading for too long and prices might move up a tad in the next few weeks. Having said this, hedgers should have protection on virtually all production and those fortunate to have bought puts in the last couple of months might enjoy taking some of the profits from these and maybe re-hedging with lower (cheaper) strikes. Limit up moves in wheat (see below) pushed corn higher but such an event can't sustain the corn market fundamentally but every little helps! Harvest progress in the corn market is listed at 37% complete, which is lightly supportive, and there is talk we may already be seeing the harvest low. Weekly export sales are delayed this week because of Columbus day holiday and so traders did not do much toward the end of the week and prices stabilized. Local basis continues to be in good shape. Soybeans have had a bumper week initiated by the suggestion that the seasonal pressure has peaked. This was combined with a friendly USDA report whereby the production numbers were less than the September figures. The carryover was raised by 15 million, which ensured that the bulls didn't run too much but spillover support from wheat, and positive moves in the by-products (meal and oil) dragged prices slightly higher. Soybean harvest progress numbers was at the upper part of expectations coming in at 53% complete. Traders do not seem to be turning bearish in this market and there seems to be a lot of supportive items in the market at this point. Consequently, hedgers might start taking profits on their positions and using the loan for floor protection. Wheat started out mixed early in the week after the USDA report. Overall the wheat balance sheet came out with smaller expected carryover at 371 million bushels. This was 5 million lower than the carryover numbers in 95/96 that led to historically high wheat prices. To be sure however, put puts under a hefty portion of all new crop production. Wheat got the extra fuel it needed with outstanding sales announcements and the Australian wheat board cutting production numbers. Indeed, Tuesday saw a limit up day. Traders are looking for more friendly news to keep this going and the global supply situation should keep things at this level at the very worst.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH (Dec02)	NEW (Dec02)	CASH (Nov02)	NEW(Nov02)	CASH(Dec02)	NEW(Jul03)
Baltimore	n/a	n/a	-\$.30	-\$.30	n/a	n/a
Western MD	+\$.52	n/a	+\$.09	n/a	-\$.33	n/a
Central MD	+\$.32	+\$.32	-\$.17	-\$.17	+\$.03	-\$.18
Southern MD	+\$.22	+\$.22	-\$.15	-\$.15	-\$.31	-\$.25
Upper E. Sh	+\$.27	+\$.27	-\$.10	-\$.10	-\$.31	-\$.20
Lower E. Sh	+\$.37	+\$.37	Even	Even	-\$.29	-\$.18

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS

Maryland farmers had an average of only 3.8 days suitable for field work. All counties have received above average amounts of moisture for the month to date due to last week's showers, although rain accumulation for the year is less than average for most counties. The moisture is expected to ensure good establishment for small grains. Planting activities continue to advance ahead of schedule despite the rain. **Barley** is 69 percent planted, 6 percent more than last year, and 14 percent ahead of the five year average. Barley is in mostly good condition with 9 percent rated fair, 75 percent good, and 16 percent excellent. **Winter wheat** is 33 percent planted, 13 percent ahead of last year, and 14 percent ahead of the average. Wheat is rated 1 percent poor, 15 percent in fair condition, 74 percent good, and 10 percent excellent. While the rain helped to replenish topsoil and subsoil moisture, only a small amount ran off to restore ponds and streams. **Topsoil** is rated 10 percent surplus, 68 percent adequate, 18 percent short, and 4 percent very short. Thirty-two percent of **subsoil** is rated in adequate supply, 47 percent short, and 21 percent very short.

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	10/09	10/16	10/09	10/16	10/09	10/16	10/09	10/16
Baltimore	----	----	5.05	5.22	----	----	----	----
Western Md	3.00	3.08	5.24	5.61	3.53	3.79	1.60	1.65
Central MD	2.89	2.88	5.21	5.35	3.77	4.15	1.50	1.50
Southern MD	2.81	2.78	5.09	5.37	3.45	3.81	1.45	1.45
Upper E. Sh	2.88	2.83	5.16	5.42	3.45	3.81	----	----
Lower E. Sh	2.96	2.93	5.24	5.52	3.47	3.83	----	1.30

Soybean Meal		Lower Eastern Shore		Dealer's Average Cash Quotes (\$/ton)	
Date	10/09	10/16	Date	10/09	10/16
48% Soybean Meal	200.00	205.00	44% Soybean Meal	188.00	195.00

FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
	10/09	10/16	10/09	10/16	10/09	10/16	10/09	10/16
Baltimore	----	----	5.05	5.22	----	----	----	----
Western Md	----	----	----	----	----	----	----	----
Central MD	2.89	2.88	5.21	5.35	3.15	3.20	----	----
Southern MD	2.47	2.78	5.09	5.37	3.08	3.13	----	1.45
Upper E Shore	3.13	2.83	5.16	5.42	3.13	3.18	1.60	1.60
Lower E Shore	2.96	2.93	5.24	5.52	3.15	3.20	1.62	1.54

GRAIN FUTURES - Chicago Board of Trade (cents\$/bu) - Oct 16, 2002							
Corn		Soybeans		Wheat		Soybean Meal ¹	
Dec	253.25	Nov	547.00	Dec	408.25	Dec	170.10
Mr03	260.25	Ja03	550.75	Mr03	408.75	Ja03	171.20
May	263.25	Mar	552.25	May	387.50	Mar	171.90
Jul	264.00	May	551.50	Jul	342.75	May	171.50
Sept	254.00	Jul	551.25	Sept	345.50	Jul	171.50
Dec	245.75	Aug	545.00	Dec	353.00	Aug	170.00

¹ \$/ton

HAY AND STRAW (\$/cwt)									
New Holland, PA - \$/ton - Oct 14, 2002 - 148 Loads -									
Alfalfa		Timothy		Mixed		Straw		Orchardgrass	
97.00-180.00		110.00-175.00		75.00-260.00		85.00-125.00		40.00-160.00	
Westminster, MD - \$/bale - Oct 19, 2002 - 116 Loads									
Alfalfa		Timothy		Mixed		Grass		Grass (Lg Rd)	
2.00-4.00		1.60-3.60		1.80-3.20		1.50-3.00		15.00-22.00	
POULTRY (Grade A) - Week Ending Oct 19, 2002 Negotiated Price, cents/lbs									
				Current Week		Week Ago		Month Ago	
NY Wtd Avg. (Fryers)				45.45		45.86		49.30	
47.30ty Composite				52.70		52.97		56.41	
LAMBS - Westminster, MD - \$/cwt - Oct 15, 2002									
Hi-Ch-Pr		100-125 lbs		76.00-81.00		Good		50-75 lbs	
		80-100 lbs		78.00-86.00				77.00-92.00	
								Sheep	
								19.00-35.00	
								Yearlings	
								45.00-65.00	
TERMINAL MARKETS HOGS - Oct 17, 2002						DIRECT MARKET HOGS - Westminster, MD-Oct 16, 2002			
Base Price Range (\$/cwt)		Carcass Basis		Sows (1-3)		1&2		220-260 lbs	
a.m.		Base 185 lb Hog		300-449 lbs		1&3		280-300 lbs	
Eastern Cornbelt		40.00-48.07		19.93-24.99				300-350 lbs	
Iowa, Minn		38.25-48.60		15.00-23.70		Millsboro, DE Market Hogs - \$/cwt - \$28.00			
FEEDER PIGS - (\$/cwt) -									
Gumboro, DE -						New Holland, PA - Oct 16, 2002			
Head:						Head:			
Trend						Trend:			
Next Sale 10/21/02									
LIVE CATTLE FUTURES - Chicago Mercantile Exchange- (\$ cwt) - Oct 16, 2002						HOG FUTURES - Chicago Mercantile Exchange - (\$ cwt) - Oct 16, 2002			
Oct		68.85		Apr		73.90		Dec	
Dec		71.87		Jun		69.45		42.17	
Fb03		73.52		Aug		69.45		May	
								58.15	
								Feb03	
								47.97	
								Jun	
								60.87	
								Apr	
								51.25	
STOCKER-FEEDER CATTLE - (\$/cwt)									
Winchester, VA - Oct 14, 2002						Westminster, MD - Oct 16, 2002			
Steers		300-400 lbs		92.75-103.00		Steers		200-400 lbs	
		400-500 lbs		80.00- 90.00				74.00- 86.00	
		500-600 lbs		80.50- 88.00		Heifers		400-600 lbs	
		600-700 lbs		76.00- 87.00				70.00- 79.00	
		800-900 lbs		70.00- 74.75				300-500 lbs	
Heifers		300-400 lbs		73.50- 81.00		Hols Bulls		61.00- 70.00	
		400-500 lbs		65.00- 76.00		#1		500-700 lbs	
		500-600 lbs		65.00- 73.50		#2		60.00- 67.00	
		600-700 lbs		64.00- 72.00				700-800 lbs	
		700-800 lbs		62.00- 70.75				80.00-100.00	
		800-900 lbs		68.00- 70.00				50.00- 80.00	
						Hols Heifers		80- 88 lbs	
						#1		45.00- 65.00	
						#2		90-115 lbs	
								410.00-510.00	
								300.00-400.00	
								70- 80 lbs	
								125.00-250.00	
Lancaster, New Holland & Vintage - Week Ending - Oct 19, 2002									
Bull, Holstein		95-125 lbs		82.00-115.00		Plainer		95-115 lbs	
Heifers, Hols.		95-115 lbs		400.00-590.00		Plainer		93-105 lbs	
SLAUGHTER CATTLE (\$/cwt)									
Westminster, MD - Oct 15, 2002									
Fed Steers						Fed Heifers			
Select		1000-1100 lbs		54.00-61.00		Ch		1000-1200 lbs	
L-Ch Hols				50.00.51.50				60.00-62.50	
Cows						Veal Calves			
Breakers				37.00-42.00		L-Ch Good		140-180 lbs	
Boners				37.00-43.50				55.00-72.00	
Lean				33.00-37.00				85- 115 lbs	
Thin				33.00-DOWN				32.00-45.00	
Lancaster, New Holland & vintage - Week Ending - Oct 12, 2002									
Steers, Choice 2-3		1135-1460 lbs		63.75-68.75		Fully \$2 higher, instances \$3 higher late in week			
Heifers, Choice 2-3 few		1145-1440 lbs		63.00-66.00		No trend			
Cows, Breakers 75-80 pct lean				40.75-46.00		Opened mostly steady; closed fully \$1; instances \$2 higher			
Bullocks, L-Select-few		815- 955 lbs		45.00-53.50		No trend			
Bulls, YG-1, few		1135-2335 lbs		45.00-52.25		Mostly steady to firm			
Vealer, Standard & Good		85- 115 lbs		25.00-35.00		Mostly steady - \$5 higher			
Calves, Good & Choice		340- 430 lbs		33.00-35.00		Not well tested			

For more information about this report, call 410-841-5740 or write:

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